

# Agenda Item Form

Agenda Date: 8/3/04

Districts Affected: 3

Dept. Head/Contact Information: Patrick T. Abeln, Director of Aviation-780-4724

## Type of Agenda Item:

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Resolution   | <input type="checkbox"/> Staffing Table Changes   | <input type="checkbox"/> Board Appointments        |
| <input type="checkbox"/> Tax Installment Agreements                                      | <input type="checkbox"/> Tax Refunds              | <input type="checkbox"/> Donations                 |
| <input type="checkbox"/> RFP/ BID/ Best Value Procurement                                | <input type="checkbox"/> Budget Transfer          | <input type="checkbox"/> Item Placed by Citizen    |
| <input type="checkbox"/> Application for Facility Use                                    | <input type="checkbox"/> Bldg. Permits/Inspection | <input type="checkbox"/> Introduction of Ordinance |
| <input type="checkbox"/> Interlocal Agreements   | <input type="checkbox"/> Contract/Lease Agreement | <input type="checkbox"/> Grant Application         |
| <input checked="" type="checkbox"/> Other 4 <sup>th</sup> Amendment Concession Agreement |   |  |

## Funding Source:

- ☐ General Fund  
☐ Grant (duration of funds: \_\_\_\_\_ Months)  
☐ Other Source: \_\_\_\_\_

## Legal:

- ☒ Legal Review Required      Attorney Assigned (please scroll down): Sylvia Firth      ☒ Approved      ☐ Denied

Timeline Priority: ☒ High      ☐ Medium      ☐ Low      # of days: \_\_\_\_\_

## Why is this item necessary:

Allow Concessionaire to respond to market conditions and remain competitive with other area golf courses.

## Explain Costs, including ongoing maintenance and operating expenditures, or Cost Savings:

N/A

## Statutory or Citizen Concerns:

NONE

## Departmental Concerns:

NONE

ITEM: 4<sup>th</sup> Amendment to Golf Course Operation and Concession Agreement - Golf Management, Inc. d/b/a Lone Star Golf Club, 1510 Hawkins



## **El Paso International Airport**

TO: Mayor Joe Wardy  
Jim Martinez, CAO  
City Council Representatives

FROM: Patrick T. Abeln, A. A. E.  
Director of Aviation

DATE: July 29, 2004

SUBJECT: Fourth Amendment Golf Course Operations and Concession Agreement – Golf Management, Inc., d/b/a Lone Star Golf Club, 1510 Hawkins  
**8-3-04 CONSENT AGENDA ITEM # \_\_\_\_\_**

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### **BACKGROUND:**

On April 1, 1985 the City entered into a Golf Course Operation and Concession Agreement with John William Eschenbrenner for a term of 21 years, which was later assigned to Golf Management, Inc. The Agreement has subsequently been amended to extend the term to March 31, 2021. The present rental rate is based on percentage of revenue at the following: food and non-alcoholic beverages at 10%; alcoholic beverages at 15%; and green fees at 12%. The revenue received by the City for 2002 was \$168,240.20 and for 2003 \$165,648.56. The Agreement requires City approval for any increases in daily and annual green fees. The last increase was June 1, 2003.

### **ANALYSIS:**

The Concessionaire is requesting that the City approve an amendment that will allow him to respond to market conditions and remain competitive with other area courses. By this amendment, the City would allow the Concessionaire to adjust the daily and annual green fees for specific promotional periods. These adjustments could not exceed a reduction in fees of over 20% from the existing approved fees, as stated in the attached exhibit and would require the prior written approval of the Director of Aviation.

### **RECOMMENDATION:**

Airport staff and the Airport Advisory Board recommend approval of this amendment. The City Attorney's has approved the amendment as to form. This item has been placed on the City Council agenda of August 3, 2004 for your consideration.

Attachment

## RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the Mayor be authorized to sign a Fourth Amendment to Golf Course Operation and Concession Agreement between THE CITY OF EL PASO ("Lessor"), and GOLF MANAGEMENT, INC. ("Concessionaire") for the real property known as Lone Star Golf Course located at 1510 Hawkins Boulevard, El Paso, Texas.

ADOPTED this 3rd day of August 2004.

THE CITY OF EL PASO

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Joe Wardy  
Mayor

ATTEST:

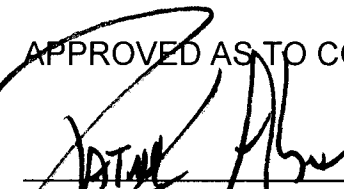
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Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

  
Sylvia Borunda Firth  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
Patrick T. Abeln, A. A. E.  
Director of Aviation

ORIGINATING DEPARTMENT: AIRPORT

STATE OF TEXAS            )  
                                      )  
COUNTY OF EL PASO    )     **FOURTH AMENDMENT TO GOLF COURSE  
OPERATION AND CONCESSION AGREEMENT**

This Fourth Amendment to Golf Course Operation and Concession Agreement ("Concession Agreement") is made by and between the City of El Paso ("Lessor") and Golf Management, Inc., a Texas corporation ("Concessionaire").

**WHEREAS**, Lessor and John William Eschenbrenner entered into a Golf Course Operation and Concession Agreement April 1, 1985 concerning the improved real property known as Cielo Vista Golf Course located at 1510 Hawkins Boulevard, El Paso, Texas;

**WHEREAS**, John William Eschenbrenner previously assigned his rights and obligations under the Original Concession Agreement to Golf Management, Inc., pursuant to Section 11 of the Concession Agreement;

**WHEREAS**, the Concession Agreement was amended by the execution of the First Amendment to Golf Course Operation and Concession Agreement dated March 28, 1991, for the purpose of extending the term, changing the fiscal year and setting fees;

**WHEREAS**, the Concession Agreement was further amended by the execution of a Second Amendment to Golf Course Operation and Concession Agreement effective June 1, 2000 for the purposes set forth therein;

**WHEREAS**, the Concession Agreement was further amended by the execution of a Third Amendment to Golf Course Operation and Concession Agreement effective April 30, 2002 for the purposes set forth therein; and

**WHEREAS,** Lessor and Concessionaire now desire to further amend the Concession Agreement.

**NOW THEREFORE,** the parties do hereby agree to the following.

1. **Daily and Annual Green Fees.** The Daily and Annual Green Fees shall be those set forth on Exhibit "A" attached hereto and incorporated herein by reference.

2. **Promotional Events.** Recognizing that it is necessary for the Concessionaire to respond to market conditions in order to remain competitive with privately owned and operated golf courses in the area, the Concession Agreement is hereby amended to permit Concessionaire to reduce daily and annual green fees by a sum not to exceed a reduction of twenty percent (20%) of the rate specified on Exhibit "A" for promotional periods with the prior written approval of the Director of Aviation or his designee.

Promotional periods shall be temporary in nature or only offered for specific days and times that are traditionally slow business and in need of stimulation. Promotional officers shall not have the effect of permanently reducing the approved fees specified on Exhibit "A".

3. **Ratification.** Except as herein amended, all other terms and conditions of the Golf Course Operation and Concession Agreement dated April 1, 1985, as amended March 28, 1991, June 1, 2000, and April 30, 2002, not specifically changed by this Fourth Amendment, shall remain unchanged and in full force and effect.

4. **Effective Date.** This Amendment shall be effective upon such the date it is executed by the Mayor on behalf of the City of El Paso.

**APPROVED** this the 3rd day of August 2004.

**LESSOR: CITY OF EL PASO**

\_\_\_\_\_  
Joe Wardy  
Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

APPROVED AS TO FORM:

Sylvia Borunda Firth  
Sylvia Borunda Firth  
Assistant City Attorney

APPROVED AS TO CONTENT:

Patrick T. Abeln  
Patrick T. Abeln, A. A. E.  
Director of Aviation

CONCESSIONAIRE: Golf Management,  
Inc.

By: Joe W. Eschenbrenner  
Printed Name: \_\_\_\_\_  
Title: President

#### ACKNOWLEDGMENT

THE STATE OF TEXAS )  
COUNTY OF EL PASO )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by JOE WARDY as Mayor of the City of El Paso, Texas.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

#### ACKNOWLEDGMENT

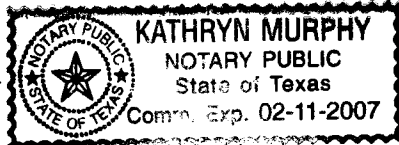
THE STATE OF Texas )  
COUNTY OF EL Paso )

This instrument was acknowledged before me on this 23rd day of July, 2004, by Bill W. Eschenbrenner, as President of Golf Management, Inc..

My Commission Expires: \_\_\_\_\_

Kathryn Murphy  
Notary Public, State of Texas

2-11-07



## **EXHIBIT “A”**

### **FEES**

#### **ANNUAL FEES**

REGULAR	\$1,150.00
SENIOR	\$1,025.00
JUNIOR (Annual)	\$ 250.00

#### **GREEN FEES**

WEEKDAY	\$20.00
WEEKDAY BK9 & SUNDOWN	\$13.00
WEEKEND	\$24.00
WEEKEND BK9 & SUNDOWN	\$14.00